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*Mr. Muller was briefed on this
at the Deputies Meeting on Friday 28 Feb 58*

28 February 1958

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Legislative Activity for Government Pay
Increases

1. The Senate Post Office and Civil Service Committee has approved S. 734 which grants pay increases and on the House side the House Post Office and Civil Service Committee has approved H. R. 9999.

2. Both of these bills provide for a retroactive effective date. On the House side the date is the first pay period after 20 August 1957. On the Senate side the retroactive date is the first pay period after 1 October 1957. Both bills, however, carry appropriate wording to permit agencies fixing salaries by administrative action such as CIA to make retroactive adjustments.

3. Of possible concern to the Agency is section 12 of S. 734 which provides for limitations on appointments as follows:

- (a) During the calendar quarter beginning on April 1, 1958, no appointment may be made to any civilian office or position in the executive branch of the Government.
- (b) During any calendar quarter beginning after July 1, 1958, the total number of appointments made to civilian offices and positions in the executive branch of the Government shall not exceed a number equal to one-third of the vacancies which occurred in such offices and positions during the preceding calendar quarter.

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There is a loophole on these limitations in that positions can be filled if the President determines it to be necessary. In conversation with the Committee staff it was indicated that the Committee felt strongly about this provision and wanted it to remain in the legislation as a possible offset against a more restrictive version of a Jensen type rider which prohibited the filling of vacancies with no executive department discretion. In considering whether the Agency should take any action it would appear that our principal personnel problem under these restrictions would be with respect to clerical positions. In this regard it is difficult to justify our needs as being different from the Government generally. In view of the Presidential discretion and in view of the fact that our problem would not be unique, I recommend that the Agency take no action with the Congress or elsewhere to seek exemption for CIA in the proposed legislation.

4. On the House side an amendment was approved by the Committee which requires the Director of the Bureau of the Budget to provide by regulation for the absorption by each agency of the cost of the increases within the limits of existing appropriations for the fiscal year in which the bill is approved. There are other amendments which prohibit the pay increase as being the basis for requiring separation of an individual by reduction in force or placing him in a leave without pay status. If these amendments, particularly the first, become a part of the law certainly each agency will have difficult problems but again I do not believe that the Agency is in an appropriate position to seek exemption from this amendment. I would recommend that we take no action to seek such exemption.

5. Under the House bill the GS-18 would be set at a figure of \$18,000 and under the Senate bill the figure for the GS-18 would be \$17,500. If either of these figures are approved, particularly the higher one, you may wish to consider some adjustments in the special executive position salaries within the Agency. Also it should be noted that the wording of the retroactive authority in both bills is such that, in my opinion, there could be no retroactive adjustment upward of salaries for any of our special executive positions.


Legislative Counsel

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